

[By Bob Audette, Brattleboro Reformer](#)

Social Security recipients got some bad news in May when they learned they probably wouldn't be getting a cost-of-living adjustment in 2010. This week it was formally announced that for the first time in more than three decades, the increase, which was 5.9 percent in 2009, will not happen.

COLA is determined by a federal formula, which closely follows the consumer price index, an indicator of inflation. In the past 12 months, the CPI has dropped 5.8 percent.

Because there has been no inflation this year, mainly due to a drop in energy prices, there will be no increase in Social Security checks.

The net result for Social Security recipients is a loss of income, because prices continued to rise through the past year and their checks won't get any bigger next year.

Thursday, President Barack Obama announced he would like to see one-time checks of \$250 be sent to seniors, veterans and the disabled.

Sen. Bernard Sanders, I-Vt., said if the one-time payments are not approved by Congress, millions of seniors and the disabled will be in trouble.

"They are struggling right now with increases in health care and prescription drugs," he said, and will soon also have to come up with the cash to fill their heating oil tanks.

The \$250 one-time payment is equal to about a 2 percent COLA, said Sanders.

Sen. Patrick Leahy, D-Vt., also supports the one-time payments.

"While (it) will not solve the long-term problem of how Social Security cost-of-living adjustments are measured, it will mean immediate relief for Vermonters who rely on Social Security today," he stated, in a press release issued Wednesday.

Close to 130,000 Vermonters receive Social Security benefits.

Rep. Peter Welch, D-Vt., said that many Vermont seniors are struggling to make it through these difficult economic times and they need support to make ends meet.

"I'm relieved that President Obama has committed to providing this necessary assistance, and I am hopeful Congress will act soon to help seniors," he said.

Nearly 70 percent of beneficiaries depend on Social Security for at least half of their income, and Social Security is the sole source of income for 15 percent of recipients.

More than 50 million recipients will receive checks if the legislation makes it to the president's desk.

Sanders, and Rep. Peter DeFazio, D-Ore., introduced legislation to tax those in the \$250,000 to \$359,000 bracket to pay for the one-time checks. It is being co-sponsored by Leahy and six others in the Senate. Welch signed onto the legislation in the House of Representatives.

The tax would raise \$14 billion, said Sanders.

This would be the first time that those in the bracket have been assessed a Social Security tax, said Sanders, who insisted it is a one-time deal. However, he said, the president has not yet

indicated how he would like to see the payments funded.

On top of increases in health care and prescription drugs, many seniors have seen the value of their houses and pension plans drop.

"If you add all those things together, there are millions of seniors who are struggling to pay their basic needs," said Sanders. "We can't turn our backs on them. "

Welch said because Medicare prescription drug premiums, which continue to rise, are deducted from Social Security payments many Vermont seniors may see a drop in their benefits.

Americans 65 and older spend twice as much on health care as the overall population and those 75 and older spend close to three times as much. Seniors' expenses have increased at an average annual rate of 3.2 percent since 1982, while the CPI has increased at an average rate of 2.9 percent.

Sanders said he would like to see changes in the formula that determines the cost-of-living adjustments.

Welch also supports changing the COLA formula so that it more accurately tracks rising costs faced by seniors, and has submitted legislation to that effect.

Currently, Social Security cost-of-living adjustments are determined by an index based on the spending patterns of younger Americans.

The bill Welch is co-sponsoring calls on the Bureau of Labor and Statistics to calculate the adjustment using an index reflecting the spending patterns of seniors, who face far higher health care costs.

The legislation would result in an increase in Social Security benefits next year.